



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN, TEXAS 78711

**CRAWFORD C. MARTIN
ATTORNEY GENERAL**

March 24, 1967

Honorable Jesse James
State Treasurer
Austin, Texas 78711

Opinion No. M - 46

Re: Eligibility of the
described bonds as
collateral for state
deposits.

Dear Mr. James:

You have requested an opinion as to the eligibility of Harris County Water Control and Improvement District Number 1 Waterworks and Sewer System Combination Tax and Revenue Bonds, Series B 1951, dated February 15, 1951, (hereinafter referred to as "the Bonds") as collateral for state deposits.

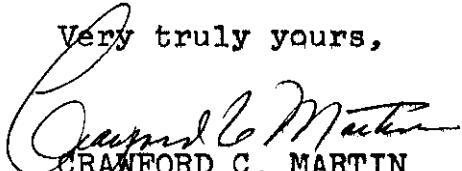
Bonds of water control and improvement districts are not included in the eligible classes of securities enumerated in Article 2529, Vernon's Civil Statutes; therefore, the Bonds are not eligible under the general depository laws. Attorney General's Opinions No. C-667 (1966); No. C-664 (1966); No. WW-470 (1958); No. WW-11 (1957); No. V-838 (1949); No. O-4889 (1942); No. O-4178 (1941); No. O-2870 (1941); No. O-2182 (1940); No. O-152 (1939).

Harris County Water Control and Improvement District Number 1 was organized pursuant to the authority found in Article 7880 et. seq., Vernon's Civil Statutes. Bonds of such districts are not eligible as collateral security for state deposits unless the issuing district has qualified as a "Municipal District" pursuant to the provisions of Article 7880-19a, Vernon's Civil Statutes. A careful examination of the bond transcript authorizing the issuance of the Bonds (Comptroller's Registration No. 27450) and your opinion request does not reflect that Harris County Water Control and Improvement District Number 1 has ever qualified as a "Municipal District." In the absence of such qualification, it is the opinion of this Department that the Bonds are not eligible as collateral security for state deposits.

S U M M A R Y

In the absence of a showing that Harris County Water Control and Improvement District Number 1 has complied with Article 7880-19a, Vernon's Civil Statutes, the district's Waterworks and Sewer System Combination Tax and Revenue Bonds, Series B 1951, are not eligible as collateral for state deposits.

Very truly yours,


CRAWFORD C. MARTIN
Attorney General of Texas

MPM:mh

Prepared by M. Paul Martin
Assistant Attorney General

APPROVED:
OPINION COMMITTEE

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